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(CLASSIFICATION)

ER 62-3108

ACTION MEMORANDUM

OFFICE OF THE DIRECTOR

Action Memorandum No. B-2

Date 9 May 1962

TO : Deputy Director, Intelligence

SUBJECT :

REFERENCE:

The DCI is interested in knowing precisely where the Agency and the intelligence community stood on the question of intervention at the time of the Hungarian revolution.

Please have someone get in touch with me immediately and I can spell out the terms of reference in greater detail.

Executive Assistant

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SUSPENSE DATE:

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62-3282

15 May 1962

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MEMORANDUM FOR: Executive Assistant to the Director
THROUGH : Acting Deputy Director (Intelligence)
SUBJECT : Intelligence Reporting on the Hungarian Revolution

1. In response to your "Action Memorandum" B-2 of 9 May, we have reviewed the record. Our findings in summary are as follows:

a. US intelligence did not predict the first Soviet intervention in Hungary on 24 October 1956.

b. It did accurately forewarn of the second intervention on 4 November.

c. No DD/I issuance came directly to grips with the possible consequences of US intervention in Hungary, although SNIE 12-2-56 touched on the subject as follows:

"It seems unlikely that US action short of overt military intervention or obvious preparation for such intervention would lead the USSR deliberately to take steps which it believed would materially increase the risk of general war."

d. There is no indication that this question was ever asked of the DD/I, or that the IAC (USIB's predecessor) ever discussed it.

2. An annex discussing the subject in detail is attached, along with the pertinent publications.

(EXECUTIVE REGISTRY FILE *OC*)

R. J. SMITH
Assistant Director
Current Intelligence

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Attachments: a/s

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ANNEXINTELLIGENCE REPORTING ON THE HUNGARIAN REVOLUTION

1. The significant dates in the Hungarian Revolution were: 23 October 1956, when the uprising in Budapest started; 24 October, when Soviet forces in Hungary and Rumania were committed against it; 29-30 October, when these forces were disengaged and withdrawn from Budapest; 31 October, when Premier Nagy announced his intention to withdraw from the Warsaw Pact and thereby precipitated a Soviet decision to intervene for the second time; and 4 November, when this operation was carried out.

2. The events in Hungary immediately followed those in Poland and overlapped the Suez crisis. Soviet forces were in a state of alert throughout the period, and US policy and intelligence attention was directed at the whole range of these events, with the greatest emphasis to the possibility of Soviet military intervention in the Near East.

3. In the fall of 1956 US Intelligence knew and reported that the Communist Party in Hungary had been badly split by events since the XX Soviet Party Congress, that its control over the populace had been somewhat weakened, and that popular dissatisfaction was building up. It failed, however, to appreciate the depth of popular emotions, the complete disintegration of the Hungarian Party, the speed with which events

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were to move, or the momentum which the revolution was to develop. As a result, the initial outbreak in Budapest came as a surprise. Intervention by Soviet troops on the scene followed so quickly--within 12 hours--that no warning reached Washington before they were actually engaged. In the confusion of the next few days, the pace of events ran consistently ahead of intelligence reporting.

4. With the Soviet withdrawal from Budapest on 30 October, however, it was clear that a new phase had begun. On the same day, the IAC (USIB's predecessor) approved SNIE 12-2-56, "Probable Developments in East Europe and Implications for Soviet Policy," which stated that:

"14. Evidence at present does not permit an estimate of whether or not the USSR will occupy Hungary with additional military force sufficient to quell the rebellion, in the event that present measures to establish control are unsuccessful. Unless it does so, however, we believe it unlikely that the USSR would find it feasible to impose for any long period a Stalinist system of rigid police and ideological controls over the Satellites..."

5. Reporting by the Office of Current Intelligence in what was then called the Current Intelligence Bulletin noted on 1 November Nagy's announcement of the previous day that he had demanded that Soviet troops leave the country and that he intended to withdraw from the Warsaw Pact. On 2 November, OCI

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reported that Nagy had officially protested to Soviet Ambassador Andropov about the re-entry into Hungary of new Soviet military formations. It also reported that all airfields of the Hungarian air force had been surrounded by Soviet troops and noted indications of small scale Soviet troop re-deployment within Hungary. It cautioned, however, that Nagy's assertions were not backed up by firm evidence. (Nagy was, of course, right.)

6. On 3 November, OCI was able to report that:

"The reinforcement of Soviet units in Hungary during the past three days, coincident with the movement of Soviet troops already within the country and a recent switch in the USSR's propaganda line concerning Hungarian political developments, indicate an imminent Soviet move to block Hungarian efforts to sever virtually all ties with Moscow. These developments also suggest that the USSR is now prepared to resume hostilities if the present show-of-force fails to "correct" what Moscow has already called an alarming situation."

"Reliable sources in Budapest now accept the validity of Premier Nagy's complaint to the United Nations that the USSR is sending heavy Soviet troop reinforcements into Hungary. These sources credit reports that at least 600 Soviet tanks have recently entered the country from the USSR and Rumania. The USSR, probably reacting to Hungary's sudden and unilateral withdrawal from the Warsaw pact and

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its request to the United Nations to guarantee Hungary's neutrality, has apparently deployed Soviet forces throughout the country in strategic areas and has surrounded or occupied key urban centers."

Soviet operations began at 0500 the next morning.

7. The Watch Committee reports:

a. 25 October: "...all available evidence indicates that the extensive Soviet military precautions in the Western USSR and Eastern Europe were prompted by Soviet fears of Satellite insurrection. It is considered that Soviet capabilities to attack Western Europe have at least temporarily declined as the result of the unexpected lack of Soviet decisiveness and control of the situation, the necessity for the USSR to restore stability in Eastern European Satellites and the demonstrated unreliability of at least some Satellite forces."

b. 1 November: "These developments seem to indicate that the USSR, confronted with the first major threat to its control of the Satellites, is now seeking to salvage the situation by means other than force and may be willing to accept further liberalization, provided friendly Communist regimes remain in power. Evidence is inconclusive that the USSR would accept peacefully the emergence of a non-Communist regime in Hungary. Whatever agreements may be reached with respect to Soviet forces in other Eastern European countries, the Soviet declaration pointedly

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avoided the question of withdrawing Soviet forces from East Germany. One immediate effect of these developments has been to impose at least a temporary deterrent to any Soviet military attack against Western Europe."

8. None of these issuances directly considered the possible consequences of US intervention. There is no record that the question was raised in any other paper prepared in the DD/I area. Furthermore, the minutes of the IAC do not give any indication that the question was raised in that forum.

9. The nearest approach to discussion of this question also appears in SNIE 12-2-56, as follows:

"17. It seems unlikely that US action short of overt military intervention or obvious preparation for such intervention would lead the USSR deliberately to take steps which it believed would materially increase the risk of general war. The Soviet leaders probably recognize that the US nuclear-air capability remains superior to that of the USSR, and have probably concluded that at present the USSR, even if it launched a surprise attack, would receive unacceptable damage in a nuclear exchange with the US."

"18. Soviet suspicions of US policy and present circumstances which involve Soviet troop movements and alerts probably increase the likelihood of a series of actions and counteractions leading inadvertently to war. Such a series of actions could most readily originate with respect to East Germany."

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10. There is no reference to intervention in the next estimate, SNIE 12-3-56: "Probable Developments in Soviet-Satellite Relations," which was approved 27 November after the revolt had been crushed.

Enclosures:

- A. CIB items on Hungary, 31 Oct-5 Nov 56
- B. SNIE 12-2-56 and 12-3-56
- C. Excerpts from Watch Reports for 18-24 Oct 56 and 25-31 Oct 56

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